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PREPARATORY COMMISSION FOR THE
INTERNATIONAL SEABED AUTHORITY
AND FOR THE INTERNATIONAL
TRIBUNAL FOR THE LAW OF THE SEA
Special Commission 1
New York, 10-21 August 1992

STATEMENT TO THE PLENARY BY THE CHAIRMAN OF SPECIAL COMMISSION 1 ON THE PROGRESS OF WORK IN THAT COMMISSION

1. During this meeting, Special Commission 1 accomplished a great deal of work in substantive areas in spite of, or perhaps because of, the responsibility imposed on it for preparing a draft provisional report. Considerable progress was made in all three of the organs of the Special Commission - its plenary, the Ad Hoc Working Group and the Negotiating Group.

Programme of work

2. As recommended by its Bureau, the Special Commission adopted its work programme for the current meeting: (a) the plenary would consider four matters: (i) the background paper prepared by the Secretariat, dealing with projection of demand, supply and price of the metals contained in polymetallic nodules (LOS/PCN/SCN.1/WP.15), (ii) the report of the Ad Hoc Working Group, (iii) the report of the Chairman's Negotiating Group and (iv) the preparation of the draft provisional report of the Special Commission; (b) the Ad Hoc Working Group would complete its work on the three "hard core" issues entrusted to it; (c) the Chairman's Negotiating Group would complete its first round of negotiations on the provisional conclusions contained in document LOS/PCN/SCN.1/1990/CRP.16/Rev.1 and, if time permitted, review and improve upon the outcomes of the first round.

3. The Special Commission held five meetings and the Ad Hoc Working Group held four meetings, sharing meeting time and facilities with the Special Commission. The Negotiating Group met six times. The Bureau of the Special Commission met twice.

I. WORK OF THE PLENARY OF THE SPECIAL COMMISSION

Consideration of document LOS/PCN/SCN.1/WP.15

4. This study deals with the salient features of projection exercises, discusses the factors that have to be kept in view in relation to projection, presents an overview of long-term projections of demand/supply/price of copper, nickel, cobalt and manganese that are available currently, emphasizing the various alternative methodologies used in projection exercises, and provides an indicative list of sources of data and information on projection. The study highlights the variability in the outcomes of projection exercises, especially in view of the wide range of forecasts about the growth of world economy in the future, the uncertainties with regard to whether and to what extent structural changes are occurring in the metal markets, and the possible biases influenced by the circumstances at the time of projection. Thus, the paper emphasizes the need for a flexible approach in studying projections of metal markets, particularly for the long-term future.

5. During the discussion, delegations pointed out the difficulties of projecting the future metal situation and the technically complex nature of projection exercises. In view of those difficulties and complexities, some delegations cautioned against the Authority embarking upon projection exercises. The document presented an overview of currently used projection methodologies, but in doing so, discussed old projections; some delegations pointed to the usefulness of keeping abreast of recent projections.

6. In general, delegations agreed with the conclusion contained in the document that available projections should be kept under review on a continuing basis.

7. With the consideration of this item on projection, the Special Commission completed its consideration of all the items it had planned to deal with, as proposed in its detailed work programme prepared at the inception of the Special Commission, at the second session (LOS/PCN/SCN.1/1984/CRP.3).

II. WORK OF THE AD HOC WORKING GROUP

8. During the current meeting, the Ad Hoc Working Group, under the chairmanship of Mr. Luis G. Preval Paez (Cuba), completed its work on the three "hard core" issues entrusted to it. On the issue of criteria for the identification of developing land-based producer States likely to be or actually affected by seabed production, the final revisions made during this meeting are contained in document LOS/PCN/SCN.1/1992/CRP.18/Rev.4. While there was agreement in almost all the areas, the document reflects disagreement in two relatively small areas. However, the Chairman noted that in the course of deliberations on the document possibilities emerged for resolution in those two areas. On the issue of assistance measures for developing land-based producer States, including system of compensation/compensation fund, the final revisions made during the current

meeting are contained in document LOS/PCN/SCN.1/1992/CRP.19/Rev.3. That document reflects agreement on the fundamental issue of the creation by the Authority of a fund for the purpose of assistance to developing land-based producer States, although there still remain certain areas of disagreement at the present time. On the issue of the effects of subsidized seabed mining, a compromise proposal has been worked out in the Group.

9. The report of the Chairman of the Ad Hoc Working Group is annexed to the present statement. The Special Commission would like to put on record its deepest appreciation for the untiring and solution-seeking efforts of the Chairman of the Group, Mr. Luis G. Preval Paez, and for the accomplishments of the Group on the "hard core" issues which seemed intractable at the outset.

III. WORK OF THE CHAIRMAN'S NEGOTIATING GROUP

10. During the last session at Kingston, the Group dealt with the first nine of the 17 provisional conclusions contained in document LOS/PCN/SCN.1/1990/CRP.16/Rev.1. During the current meeting, the Group completed its deliberations on the remaining eight provisional conclusions and the two annexes. The Group then reviewed the whole set of 17 provisional conclusions and three annexes.

11. The outcomes of the negotiations in the Group are reflected in the revised versions of the provisional conclusions, annexed to the draft provisional report of the Special Commission. As is evident from these revisions, I felt that some agreements have been reached on a large number of issues under the wide range of items dealt with by the Special Commission, as per its mandate. There are, however, still some disagreements on certain issues; the three most significant ones, in my view are: (a) whether the assistance to be provided by the Authority to developing land-based producer States, and the fund to be created for this purpose, could be termed economic adjustment assistance or compensation; (b) what would be the role of the Authority vis-à-vis existing organizations in deciding upon and implementing assistance measures; and (c) whether the Authority would be in a position to contribute to the financing of assistance measures, when such assistance was provided prior to the commencement of commercial production from the Area. Delegations will review these revisions again.

12. There was, however, universal and unanimous agreement on the fundamental issue that developing land-based producer States, if they are likely to be or actually affected by seabed production in the future, shall be assisted. As Chairman of the Group and of the Special Commission, I should like to record my sincerest appreciation for the spirit of cooperation and compromise demonstrated by all members of the Group.

IV. DRAFT PROVISIONAL REPORT OF THE SPECIAL COMMISSION

13. During this meeting, the draft provisional report of Special Commission 1 was prepared. As mentioned above, the revisions made, up until the present time, on the provisional conclusions, which constitute the draft provisional recommendations to the Authority on the matters mandated to it, resulting from the deliberations of the Special Commission, are annexed to the report. The list of documents of the Special Commission is included as an appendix to the report. The work of the Special Commission was of a highly technical nature, involving the utilization of data and information, research and analysis, studies and assessments. The documentation of the Special Commission which is a record of its work constitutes, therefore, an extremely useful reference and source material for the Authority. For this purpose, inter alia, the documentation of the Special Commission will be attached to this report as an addendum.

14. Due to time limitation, the Special Commission did not have an opportunity to consider the draft provisional report. The Special Commission plans to consider the report and its draft provisional recommendations during the next session and, I hope, will finalize them.

Annex

REPORT OF THE CHAIRMAN OF THE AD HOC WORKING GROUP
OF SPECIAL COMMISSION 1

Criteria for identification of developing land-based producer States likely to be or actually affected by seabed production in the future

1. During the last session at Kingston, the Group had discussed this issue on the basis of the revised suggestions of the Chairman put forward in document LOS/PCN/SCN.1/1992/CRP.18/Rev.3. Those discussions pointed to a few areas where compromises could be reached. During the current meeting, building upon those trends, the Chairman issued revised suggestions in LOS/PCN/SCN.1/1992/CRP.18/Rev.4. There were basically four areas where revisions were made: (a) factors in relation to a safeguard clause with regard to the dependency threshold; (b) a safeguard clause with regard to trigger threshold; (c) nature of the figures for the dependency threshold and the trigger threshold; and (d) certain editorial changes.

2. In the safeguard clause with regard to the dependency threshold (CRP.18/Rev.3, para. 2 (b)), in response to concerns of some delegations, the Chairman made revisions that the Authority would make a determination on a case-by-case basis, taking into account all relevant factors, or alternatively, taking into account economic and social development factors.

3. In CRP.18/Rev.3, there was no safeguard clause with regard to trigger threshold. During the last session, there were proposals from Indonesia and the European Economic Community (EEC) on this matter; however, no agreement was reached. As a compromise, the Chairman utilized the idea of determination by the Authority on a case-by-case basis, an idea which has already been used in connection with the safeguard clause with regard to the dependency threshold. In recognition of the fact that such a safeguard clause may be too broad, the Chairman added that such a determination would be made subject to the considerations of cost-effectiveness and the Authority's work efficiency. He then combined the two safeguard clauses, one with regard to the dependency threshold and the other with regard to the trigger threshold, in one paragraph. He also included the suggestions by Indonesia and EEC, respectively. All the three alternatives were put forward in CRP.18/Rev.4.

4. With regard to the nature of the figures for the dependency threshold and the trigger threshold (CRP.18/Rev.3, para. 5), with a view to introducing flexibility to adapt to the realities of the situation but at the same time avoiding ad hoc changes, a new provision was suggested.

5. Since there was no agreement on the two matters mentioned in paragraphs 2 and 3 above, the revisions appeared within square brackets in document CRP.18/Rev.4. That document was forwarded to the Chairman's Negotiating Group. However, in the course of discussions in the Group on the suggestions contained in CRP.18/Rev.4, some general trends emerged towards agreement on the two matters. It appeared that, if in the combined safeguard clause

suggested by the Chairman in CRP.18/Rev.4 the two stages relating to the dependency threshold and the trigger threshold could be made distinct and clear, delegations might be able to accept it as a compromise. It also appeared that some kind of a combined wording to the effect that relevant factors including effects on economic and social development would be taken into account by the Authority in making the determination on a case-by-case basis, would also be acceptable to delegations. Finally, the three-year average mentioned in paragraph 2 (c) of CRP.18/Rev.4 to be modified to an average of three years at the least, could also be acceptable to all delegations.

The issue of assistance measures for developing land-based producer States, including system of compensation/compensation fund

6. The latest revisions made by the Chairman on this issue had been contained in document LOS/PCN/SCN.1/1991/CRP.19/Rev.2. The most difficult matter on which the disagreement was most extensive, was the nature of the assistance measure of the Authority for developing land-based producer States. While one group of delegations strongly preferred a compensation measure, another group of delegations insisted on an economic adjustment measure alone. During the current meeting, the Chairman issued further revisions in LOS/PCN/SCN.1/1992/CRP.19/Rev.3, the main element of which was to combine both types of measures and to use wording to the effect that the Authority's measure would be an economic adjustment measure, or if the situation warranted, would be a compensation measure. Since there was no agreement on the issue, this wording appeared within square brackets.

7. CRP.19/Rev.3 was forwarded to the Chairman's Negotiating Group. In the course of the discussion in the Ad Hoc Working Group on CRP.19/Rev.3, no trend emerged pointing to resolution of the above matter.

The issue of the effects of subsidized seabed mining

8. The Group had before it a proposal by the delegation of Australia (LOS/PCN/SCN.1/1989/CRP.15). One of the most important matters on which this issue hinged was the outcome of the Uruguay Round of Negotiations of the General Agreement on Tariffs and Trade (GATT). During the current meeting Australia, in consultation with a number of interested delegations, especially EEC and Canada, made a compromise proposal. There seemed to be general agreement in the Group on that proposal. Thus, that proposal has been forwarded to the Chairman's Negotiating Group.

Concluding remarks

9. The Ad Hoc Working Group of Special Commission 1 completed its work on the three "hard core" issues entrusted to it. The outcomes of its deliberations have been forwarded to the Chairman's Negotiating Group during this meeting. The Chairman of the Group would like to put on record his appreciation for the cooperative and compromise-seeking attitude and endeavours of the members of the Group. The Chairman also expresses his thanks for the valuable advice and guidance provided to him by the Chairman of the Special Commission.

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New York, 10-21 August 1992

STATEMENT TO THE PLENARY BY THE CHAIRMAN OF SPECIAL COMMISSION 2 ON THE PROGRESS OF WORK IN THAT COMMISSION

1. Special Commission 2 held three meetings at the tenth resumed session. At the end of the tenth session at Kingston, the Special Commission had established a programme of work for its current session. That programme of work, contained in paragraph 31 of document LOS/PCN/L.100, "Statement to the Plenary by the Acting Chairman of Special Commission 2 on the progress of work in that Commission", consisted of reviewing its draft final report which would be submitted to the Plenary of the Preparatory Commission.

2. At the 137th meeting of the Special Commission, the Chairman of the Commission recalled the Special Commission's decision to review its draft final report at this session and the format it had requested for the report as contained in paragraph 12 of document LOS/PCN/L.100.

3. He noted that this format called for the report to present "a summary of the mandate of the Commission, a concise summary of the overall accomplishments of the Commission, as well as the relevant documentation". He also noted that the report had correctly stated that with the changed circumstances regarding the economic viability of seabed mining, the work of the Special Commission has had to be modified to take into account those realities.

4. In this context, the Special Commission's discussions had focused on working papers and documents relating to:

(i) Provisions of the Convention relating to the structure and organization of the Enterprise, and annotations thereto;

(ii) Suggestions of the Chairman to facilitate discussions on transitional arrangements for the Enterprise;

(iii) Joint ventures as the operational option for the Enterprise in its initial operation;

(iv) The Preparatory Commission training programme.

5. The Chairman of Special Commission 2 expressed his appreciation to the Acting Chairman of the Special Commission during the tenth session at Kingston for the compromise solution he had arrived at, with regard to the issue of the status and structure of the institutional arrangement for the Enterprise during the pre-operational period (part III of LOS/PCN/SCN.2/1990/CRP.5, as well as LOS/PCN/SCN.2/1991/CRP.5/Add.2), as contained in paragraphs 13-17 of document LOS/PCN/L.100. He pointed out, however, that throughout the Special Commission's debate on the subject of transitional arrangements, the other related issues such as the purpose of the transitional arrangements and functions to be performed during this period had been resolved by consensus. He inquired of the Special Commission whether, with the time to ruminate during the inter-sessional period, further discussions on the status and structure of the institutional arrangement would lead to a consensus.

6. It was stated by the Acting Chairman during the tenth session that while LOS/PCN/L.100 reflected the situation at the time, it would be for the Coordinators of the Group of Six and the Group of 77 to meet and to decide if such a possibility existed. The Coordinator of the Group of Six noted that while the Group was satisfied with the compromise solution as contained in LOS/PCN/L.100, it would be willing to meet with the Coordinator of the Group of 77 if that Group had other proposals. The Coordinator of the Group of 77 reported that the contact group of the Group of 77 would meet on this matter. No report has been made to the Special Commission as to whether the two Coordinators have met and arrived at a consensus on the issue of the status and structure of the transitional arrangement for the Enterprise.

7. The Special Commission was unable to discuss its draft provisional final report (LOS/PCN/SCN.2/1992/CRP.6) because it was not available in the working languages of the United Nations, other than English. The Commission, however, heard the final report of the Chairman's Advisory Group on Asssumptions.

8. Since that report was also not available in the working languages of the United Nations, other than English, it could not be submitted to the Special Commission for its consideration. It was pointed out that the document was included in the Commission's draft final report and could be discussed at the eleventh session.

9. In his introduction to the final report of the Chairman's Advisory Group on Assumptions, its Coordinator, Mr. Luis Preval of Cuba, stated that its conclusion was as follows:

"In conclusion, the Group was of the view that there was a need for continuity in its work suggesting that its successors, during the period before the entry into force of the Convention, should concentrate, inter alia, on periodic analysis of world markets and metal prices, their trends and forecasts; collection of information on and evaluation of technological developments; and assessment of the state of knowledge of deep sea environments and possible impacts of mining activities. In this connection the Group believed that the Secretariat could take up these activities for the time being.

"The Australian delegation advised that an updated version of its study on the economic viability of deep seabed mining (LOS/PCN/SCN.2/WP.10) incorporating escalated dollar values would be available before the end of the year."

Programme of work for the eleventh session

10. As the Special Commission was unable to consider its draft final report at this session, it will undertake this task at the eleventh session. This will also include a review of the draft final report of the Chairman's Advisory Group on Assumptions.

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STATEMENT TO THE PLENARY BY THE CHAIRMAN OF SPECIAL COMMISSION 3 ON THE PROGRESS OF WORK IN THAT COMMISSION

I. ORGANIZATION OF WORK

1. During the 1992 summer session of the Preparatory Commission, Special Commission 3 held four meetings, i.e. the 164th to the 167th meetings. The Special Commission also held several sessions of informal consultations on the revision of the documents on Labour, Health and Safety Standards.

2. Following the usual practice, the Contact Group of the Group of 77 on Special Commission 3 matters utilized some of the time allocated to meetings of Special Commission 3 for coordination purposes.

II. ISSUES DEALT WITH IN THE SPECIAL COMMISSION

Informal consultations

3. The Special Commission held informal consultations for the purpose of revising documents LOS/PCN/SCN.3/WP.6/Add.8 and LOS/PCN/SCN.3/WP.6/Add.8/Corr.1 (Labour, Health and Safety Standards). Following a preliminary exchange of views and informal consultations during the 1992 spring session of Special Commission 3 in Kingston, Jamaica, document LOS/PCN/SCN.3/1992/CRP.16 was prepared taking into account views expressed during those discussions. That document was then discussed during the informal consultations during this session.

4. The informal consultations were able to achieve a text that was agreeable to all the delegations that participated in the consultations. Once this text receives the endorsement of the Special Commission it will be issued as

document LOS/PCN/SCN.3/WP.6/Add.8/Rev.1. I wish to express my sincere gratitude to all the delegations involved in negotiating this text and to the representatives of the International Labour Organisation (ILO) for their advice and assistance in this matter.

Potential environmental effects of deep seabed mining

5. Two experts from Germany addressed the Special Commission and discussed the current status of research on the environmental impact of deep seabed mining of polymetallic nodules as well as requirements for future environmental impact studies.

6. One of the experts suggested that mining impacts could be divided into two categories: those which were avoidable and those which were not. Expected impacts included those resulting from a sediment cloud or plume created by collector activity which would blanket the seabed and the animals thriving on and in the sediment. He proposed that the disposal of fine particulate material and of all organic wastes pumped up with the nodules should not take place in surface waters; they should be discharged at greater depths to avoid the contamination of the productive surface zone.

7. The expert said that Governments and industries had long recognized the potential environmental hazards arising from exploration activities and that environmental investigations had accompanied early research into deep seabed mining activities, such as those conducted in 1970 by the United States company, Deep Sea Ventures. Germany had initiated intensive environmental studies along with mining tests in the Red Sea. Despite such attention to environmental concerns, he felt that it was difficult for industrial development and environmental precaution to be in tune. He was of the opinion that engineers could design mining equipment but oceanographers were unable to predict the extent to which the marine environment could be harmed since knowledge of the ecology of the deep ocean was limited. He felt that the prediction of mining impacts was rendered more difficult due to the small scale of oceanographic sampling as compared to the huge scale of potential mining activities.

8. The expert suggested that impact predictions could not be deduced from current knowledge and that it was necessary for oceanographers to conduct large-scale investigations. He pointed out that scientists had recently initiated the first large-scale benthic impact observation experiment, involving the creation of a simulated disturbance on the sea floor to determine the reaction of deep sea marine life to mining impacts. He informed the Special Commission that scientists from the United States and the Russian Federation were launching a second large-scale experiment.

9. He said that such experiments did not suffice in the provision of information; only a pilot mining operation would provide the opportunity to evaluate risks. He suggested that a pilot mining operation would mine the seabed on a reduced technical scale for four to six months. He felt that the impacts of the pilot operation would not harm the ocean but the scale of

activities would be sufficient to allow extrapolation of observations elucidating environmental impacts. In his opinion such a pilot project required close cooperation between ocean miners and those interested in protecting the marine environment.

10. The expert also felt that international cooperation was essential to risk assessment since pilot mining operations would require environmental studies before, during and after the mining tests. He pointed out that several research ships would need to operate for approximately two years at a cost of about US$ 40 million. Other risk assessment activities, such as data evaluation, would cost an additional US$ 50 million. There was further need for international cooperation since such funding could not be provided by a single country and the knowledge gained from such tests could be shared among all interested parties. He suggested that cooperation could be achieved on two tiers: between oceanographers and miners and among different countries. It was critical, he said, for politicians, industrialists, engineers and oceanographers to arrive at a common understanding.

11. He announced the convening of a symposium on deep sea ecology and deep sea mining in Hamburg in May 1994 to address such issues as environmental problems associated with deep sea mining; coordination of pilot operations between miners and oceanographers; long-term monitoring of mining impacts; and the further promotion of international and interdisciplinary cooperation in mining-related oceanography. He felt that a system of communication between groups interested in deep sea mining should be established. He pointed out that such a system already existed in Germany and served to promote a common understanding of a broad range of problems.

12. The second expert said various risks arose from technical operations. From practical experience, it was clear that the environmental impact of deep sea mining could be controlled and limited, although the extent to which control could be exercised was not clear. He pointed out that polymetallic nodules on the abyssal plain were fed upon by deep sea marine life and that the density of fauna population in fields with nodules was far greater than in fields without nodules, demonstrating that biological life and nodule growth were interrelated. In his opinion, areas of potential impact included surface discharges and deep ocean disposal sites and that offshore loading could also pose a threat to the marine ecosystem. The expert informed the Special Commission that surface disposal plumes had been studied.

13. At present technical research is focused on more environmentally oriented technology, especially the nodule collector, with a view to testing larger equipment in the coming years. Although exploration activities would have a limited and tightly controllable impact on the seabed and ocean environment, he felt that the impact of modern research vessels on the sea surface could be minimized even further through waste processing technology which yielded an almost zero discharge. It would be ideal, he said for commercial mining, which might be in operation in 20-30 years' time, to be accompanied by environmentally oriented technology and an environmentally oriented mining code allowing for a synthesis of environmental control and mining. It was important that commercial mining should aim to synthesize ecology and economy.

14. He went on to describe a mining scheme involving disposal capacities which would limit environmental impacts. For example a self-propelled collector should comply with the requirements of efficient mining and environmental protection. He suggested that the sediment plume, which could not be prevented, could be reduced by being recycled through the use of a hydraulic device. He pointed out that an experimental self-propelled, auto-controllable nodule collector had been designed for future use.

15. The expert suggested that the sediment plume produced by a self-propelled collector could also be controlled through monitoring and that climatic models of the deep sea ocean would make such monitoring possible. He pointed out that metal separation, smelting and other steps were more or less well established and that their economic and environmental impacts could easily be determined. He stressed that environmental protection must be safeguarded everywhere. Even though a long-term monitoring project would prove to be very expensive it was imperative that it be established and the expenses borne by contractors and the Enterprise. Furthermore, deep ocean floor stations would be required in order to control efficiently the mining of the sea floor, while in addition large areas would require constant monitoring both at the sea surface as well as on the ocean floor.

16. The expert expressed the view that risk assessment would require a balanced system of rules and regulations involving a proper assessment of all interests including those of the contractor as well as those of the Authority. Standards would be required in order for arbitration to be carried out in the case of conflicts. It was also necessary that the rules, regulations and standards should be as flexible as possible and that the mining code should have enough flexibility to permit rather than prevent commercial operations.

17. Following the presentations of the two experts, a number of delegations asked questions and sought clarification on the issues raised. A delegation inquired whether processing of polymetallic nodules at sea was feasible and, if so, whether significant discharge would result from it. The experts responded that present knowledge indicated that there would be no processing conducted at sea. Another question raised was in regard to the impact on the life cycles of higher forms of fish found near the surface of the ocean. The experts pointed out that little research had been conducted on that topic and that research had focused primarily on marine life at the base of the food chain as well as that found on the deep ocean floor.

18. Another question concerned the proposed monitoring stations to be established on the seabed. It was pointed out by the experts that the monitoring stations would observe such physical parameters such as water temperature, flow, chemical indicators and, in future, in situ elements such as heavy metals.

19. Another question raised was whether fauna density was related to surface conditions or to the existence of nodules. In response the experts said that biological activity on the ocean floor did influence nodules but no link could

be established from surface activity. The last question raised was whether manganese processing would be part of an initial operation. The experts replied that it depended on whether it was a three or four mineral operation: a three mineral operation would not include manganese. However, they felt that most operations would involve four minerals (including manganese) since this would be more economically and environmentally sound.

Draft final report of Special Commission 3

Introduction by the Chairman

20. The Special Commission commenced a general exchange of views on the draft final report of Special Commission 3. In presenting the draft report, I endeavoured to explain the status of this document. The report is not intended to constitute the final report of the Special Commission to the plenary. At this point in time it is intended to be a reflection of the progress which has been made in the Special Commission.

21. As stated in the introduction, the object of the report is to provide an overview of the work of the Special Commission in discharging its mandate and to assist delegates in focusing their attention on areas where further work might be desirable.

22. As regards the substance of the report the introductory pages were intended to reflect the results of the discussion in the Special Commission. For more detailed information on the views of delegations and of the discussions, delegations were referred to the relevant parts of the various reports of the Chairmen for each session which were published after consultation with delegations. It is also important to note that the report would still require the attachment in the annex of working papers and conference room papers reflecting the views of various States and interest groups.

23. As regards paragraph 68 of the draft report in which there was reference to a general perception that the Special Commission had only limited time available to discharge its mandate in the most effective manner, this was meant in the specific context of this Special Commission and the rate of work. It took ten years to complete a first revision of each document comprising the mining code with the exception of the documents dealing with production authorizations and accounting principles and procedure. No revisions of the two documents were prepared since it was felt that a consensus which could provide a basis for an integrated text had not emerged in either case.

24. According to the original plan of work of the Special Commission it would be necessary to undertake a second revision of each document. During the same period of 10 years there had been an average of 5.1 States ratifying or acceding to the Convention each year so that the Convention was 83 per cent of the way towards entry into force whereas Special Commission 3 was, in a

quantitative sense, less than half way towards its goal in terms of achieving a draft mining code. These were objective realities which had to be addressed and the draft report was a way to assist delegates in this task.

Views expressed by delegations

25. It was proposed by some delegations to suspend the discussion on the draft mining code at the present time, i.e. after the completion of its first reading and despite the fact that the revised versions of the draft had not yet been discussed. It was felt that during the discussion on the various parts of the mining code it was possible to identify issues and to solve some of them. However it was suggested that it was impossible to reach a final agreement on any of the drafts contained in documents LOS/PCN/SCN.3/WP.6, its addenda 1-8 and the first revisions as long as there was no agreement on the areas of concern in Part XI. Therefore it was felt that it would be appropriate to suspend the discussions in Special Commission 3 and to transmit the draft mining code without any commitment of member States to its present wording to the plenary of the Preparatory Commission bearing in mind the possibility of reverting to this matter at an appropriate time when an agreement had been reached on the areas of concern.

26. A suggestion was also made to annex to the report under discussion not only the draft mining code as it is currently drafted, but also those documents containing proposals for amendments submitted by various States and interest groups.

27. It was felt by other delegations that the term "draft final report" may appear misleading although the report was viewed as the single most comprehensive appraisal to date of the progress of work undertaken in Special Commission 3 since its inception. Therefore it was suggested that the conclusions to which it might lead would form the basis for any subsequent decision on the future of work in the Special Commission. It was pointed out that in that respect, it is fair to say that Special Commission 3 has yet to discharge its mandate under resolution I of the Third United Nations Conference on the Law of the Sea, namely, to draft a comprehensive set of rules and regulations on prospecting, exploration and exploitation of polymetallic nodules in the Area. In the opinion of those delegations, the document currently before the Special Commission would appear rather to be a report on the progress made to date in the Special Commission in considering the various documents comprising the draft mining code but should not be considered to be a final report and should not be construed as such.

28. Concern was expressed over what appeared to be significant editorial omissions in the report especially in regard to the conclusions contained in paragraphs 67 and 68 which were not perceived as the result of previous discussion within the Special Commission. It was pointed out that it was not clear from the conclusions to what extent Special Commission 3 had discharged its mandate nor under what circumstances it could be expected to finalize its work.

29. It was suggested that to claim that no final agreement has been reached on any of the documents comprising the draft mining code would seem an oversimplification at best. It was argued that provisional agreement has been reached on various provisions of the mining code, whereas others remained to be further discussed at the appropriate time. It was also pointed out that some of the working papers discussed in the Special Commission had been reissued in revised form, whereas others had, for the time being, remained unrevised. The point was also made that some previous revisions were undertaken by the Chairman on his own responsibility, while more recent revisions were prepared by the Chairman in direct consultation with the members of the Special Commission and might thus be seen as reflecting a position as close to consensus as it had been possible to achieve. It was felt that that state of affairs did not seem properly reflected in the report.

30. The view was expressed that document LOS/PCN/SCN.3/1992/CRP.17 simply stated that "while progress has been made in identifying and resolving some issues, the Special Commission has not yet reached final agreement on any of the working papers". Therefore it was argued that what was implied in that statement was that all documents comprising the draft mining code were of equal value as working papers the final revision of which had been rendered impracticable, notwithstanding the tentative agreement reached on various issues in the course of deliberations.

31. It was further pointed out that the report went on to state that "there is a general perception that the Special Commission has only limited time available to discharge its mandate in the most effective manner possible". However it was felt by some delegations that this conclusion begged the question of whether Special Commission 3 had or was likely ever to fulfil the mandate entrusted to it. It was the view of those delegations that though it might be claimed by some that a full second reading of the entire draft mining code could extend the work of Special Commission 3 beyond what was reasonable, the report did not clearly reflect the current stage of negotiations nor whether circumstances might warrant further discussion of outstanding issues.

32. As regards the final status of the documents considered in Special Commission 3 in the course of its deliberations the view was expressed that the Special Commission should not forego the option of revisiting previous sections of the draft mining code at some future point, provided that the programme of work of Special Commission 3 at forthcoming sessions of the Preparatory Commission could be adjusted accordingly. It was also the view of those delegations that in the event consideration of the various sections of the draft mining code could not be finalized, the proposals for amendment put forward by various States and interest groups should remain as submitted.

33. It was stated by some delegations that, barring any future development, they would be obliged to reserve their position on the entire draft mining code and to request that all the proposals submitted to date on their behalf be taken into account in any subsequent revision of the mining code and should be incorporated in the revised version of CRP.17.

34. It was also the view of those delegations that, wherever practical, the various contributions made by experts in the course of seminars conducted under the auspices of the Special Commission on matters such as financial terms of contracts and preservation of the marine environment be duly reflected in the report.

35. A number of delegations reserved their right to submit concrete proposals for amending the draft final report at the appropriate time. It was felt that a comprehensive appraisal of the work of Special Commission 3, even if informative and non-binding in nature, would have to serve as a guide to future participants and attempt, to the extent possible, to reflect the history of discussion in the Special Commission and the prospects, as perceived at the time, for the successful conclusion of its work.

III. FUTURE PROGRAMME OF WORK

36. Delegates are requested to submit written draft amendments or suggestions to the Secretariat concerning the report of the Special Commission not later than 15 October 1992 in order to allow adequate preparation for the consideration of the draft report during the 1993 spring session of the Preparatory Commission.

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INTERNATIONAL SEABED AUTHORITY AND FOR THE
INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA
Tenth session
New York, 10-21 August 1992

STATEMENT TO THE PLENARY BY THE CHAIRMAN OF SPECIAL COMMISSION 4 ON THE PROGRESS OF WORK IN THAT COMMISSION

1. At the summer meetings of the tenth session of the Preparatory Commission, the Special Commission had before it the following documents:

(a) LOS/PCN/L.103, Progress Report of the Chairman of the Preparatory Commission for the International Seabed Authority and for the International Tribunal for the Law of the Sea; Part IV dealing with the work of Special Commission 4;

(b) LOS/PCN/SCN.4/WP.11, Issues Concerning the Initial Financing and Budget of the International Tribunal for the Law of the Sea;

(c) LOS/PCN/SCN.4/L.16/Add.1, Building Requirements and Facilities for the International Tribunal for the Law of the Sea; Information from the delegation of Germany concerning the circulation of a brochure with information on the final design with illustrations, drawings and specifications;

(d) LOS/PCN/SCN.4/WP.12, Suggestions of the Latin American and Caribbean Group regarding languages of the Tribunal for the Law of the Sea (LOS/PCN/SCN.4/WP.2/Rev.1; LOS/PCN/SCN.4/WP.8 and Adds.1 and 2); and

(e) LOS/PCN/SCN.4/WP.13, Proposal submitted by Austria, Belgium, Canada, Côte d'Ivoire, Czechoslovakia, France, Greece, India, Poland, Senegal and Switzerland concerning the languages of the International Tribunal for the Law of the Sea (LOS/PCN/SCN.4/WP.2/Rev.1; LOS/PCN/SCN.4/WP.8 and Add.1 and 2).

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2. The Special Commission held a total of six meetings, starting with the 155th meeting at which, on the recommendation of the Bureau, it designated one of its vice-chairmen, Dr. Theodore Chalkiopoulos (Greece) to act as Chairman. The Contact Group of the Group of 77 on Special Commission 4 was allocated some of the meeting time of Special Commission 4 for co-ordination purposes.

3. The Commission took up at its 155th meeting its Agenda and Programme of Work for the current meeting as contained in document LOS/PCN/L.101 of 11 March 1992.

4. On the recommendation of the Bureau the Chairman proposed and the Special Commission approved the changes to the programme of work to the effect that:

(1) the Commission would take up, as the first item of work, item 6 of the agenda in LOS/PCN/L.101 concerning the final Report. It would carry out a preliminary overview of the draft final Report as to the "form and content";

(2) the Special Commission should decide that:

(a) there would be no further deliberations on working papers that have been approved by the Special Commission. These would be annexed to the draft final Report for submission to the Meeting of States Parties as recommendations of the Preparatory Commission;

(b) all pending issues listed in the Progress Report (LOS/PCN/L.103) and possibly the remaining items on the agenda for the session (LOS/PCN/L.101) would be referred to the Meeting of States Parties for solutions. They would be submitted without a recommendation from the Preparatory Commission. A statement as to the status of review of each item by the Preparatory Commission would be attached;

(3) if time permits, the remaining items on the agenda for the session (LOS/PCN/L.101) would be taken up; and

(4) the Secretariat was requested to prepare an outline for a draft final Report to be made available at the end of the first week of the session. This would be taken up for consideration in the second week.

These proposals were approved by the Special Commission subject to the clarification that the preparation of an outline for the draft final Report would not prevent delegations from submitting proposals or working papers on issues of concern to them.

5. At the 157th meeting, the Chairman informed the Special Commission that the draft outline for a final Report had been prepared by the Secretariat but it would not be issued until it was available in all languages. At its 156th to 158th meetings, it took up Issues Concerning the Initial Financing and Budget of the International Tribunal for the Law of the Sea on the basis of the working paper LOS/PCN/SCN.4/WP.11. Further information was requested in relation to the precedent as to initial financing in the case of the United Nations University and as regards the Permanent Court of International Justice of the League of Nations. Attention was drawn to the precedent of a regional judicial institution for the settlement of disputes among Arab States. A view expressed was that courts should not be financed by individual States and in that view the precedent of the United Nations University was inappropriate. The deliberations in the Special Commission will be reflected in the Chairman's summary of discussions to be issued.

6. Consultations were held during the session between interested delegations on the question of languages to be used by the Tribunal. Two working papers were presented: Suggestions of the Latin American and Caribbean Group regarding languages of the Tribunal for the Law of the Sea (LOS/PCN/SCN.4/WP.12); and Proposal submitted by Austria, Belgium, Canada, Côte d'Ivoire, Czechoslovakia, France, Greece, India, Poland, Senegal and Switzerland concerning the languages of the International Tribunal for the Law of the Sea (LOS/PCN/SCN.4/WP.13).

7. On the issue of the building requirements and facilities for the Seat of the International Tribunal for the Law of the Sea and following up on the report presented by the delegation of Germany (document LOS/PCN/SCN.4/L.16) at the tenth session in Kingston as referred to in para. 3 therein, the delegation presented an addendum conveying information that the final design with illustrations, drawings and specifications has now been circulated to all Member States of the United Nations, to the States participating in the Preparatory Commission and to the secretariat of the Commission.

8. The Bureau of the Special Commission recommended that the agenda for the eleventh session in Kingston would comprise a single item: consideration of the draft final Report and its approval, after its examination. At its 159th meeting several

delegations addressed this proposal. Some delegations expressed the need to consider pending items on which no agreement had been reached in the Special Commission, at future meetings, besides considering the draft for the final Report. Another view expressed was that only the draft final Report should be considered and that all pending issues could be dealt with in a different forum. Several compromise proposals were put forward by delegations. The Chairman also made a compromise proposal. Finally the Special Commission accepted the proposal of Saudi Arabia that the agenda would be "to survey and consider the draft final Report including the pending issues", with two delegations expressing reservations.

9. The Acting Chairman expressed his appreciation and gratitude for the positive atmosphere that had prevailed in the conduct of the Commission's work and his thanks to all delegations for the cooperation extended to him. He thanked the members of the Bureau, Mr. Simeon Raya (Philippines), Dr. Nicolas Salom (Colombia) and Mr. Ahmed Yousif Mohamed (Sudan) for the advice and guidance provided during this session. The Acting Chairman extended his and the Commission's gratitude to the Secretary of the Special Commission, Mr. Gritakumar E. Chitty, and to Mrs. Gertrude Blake for the dedication and competence with which they performed their functions. He also thanked Ms Anita Pinto and the other members of the Secretariat who had assisted.

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INTERNATIONAL SEABED AUTHORITY
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Tenth session
New York, 10-21 August 1992

STATEMENT OF THE CHAIRMAN OF THE PREPARATORY COMMISSION

1. During the present session, the Plenary dealt with the following matters:

(a) Organization of work;

(b) Preparation of draft agreements, rules, regulations and procedures;

(c) Implementation of resolution II;

(d) The Training Panel;

(e) Provisional reports;

(f) Eleventh session of the Preparatory Commission.

I. ORGANIZATION OF WORK

2. At the summer meeting of the Preparatory Commission, on the recommendation of the General Committee, the Plenary adopted on 10 August 1992 a programme of work for this meeting of the Commission which enabled all the special commissions and the Plenary on the Authority to meet. The programme was adopted on the understanding that changes would be made as circumstances required. In accordance with the decision of the Preparatory Commission, the Training Panel met during the first week simultaneously with the meeting of the Preparatory Commission.

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II. PREPARATION OF DRAFT AGREEMENTS, RULES, REGULATIONS AND PROCEDURES

3. At its first meeting, held on 11 August 1992, at the suggestion of the Chairman, the Plenary on the Authority adopted its programme of work for the present session. According to that programme the Plenary decided to begin its work with the consideration of the pending functions of the Finance Committee and then to proceed to consider the first paragraph of article 7 on reciprocal representation which was left pending in the draft Agreement concerning the Relationship between the United Nations and the International Seabed Authority. It was agreed that subsequently the Plenary would resume its consideration of the matters related to the administrative arrangements, structure and financial implications of the International Seabed Authority. According to the programme the Plenary was supposed to conclude its work by initiating the examination of the provisional final report. To facilitate discussions on the above issues, it was decided that the Plenary would first address them at the level of the consultations of the Chairman with the interested delegations and that the results of such consultations would be subsequently submitted to the Plenary for its consideration and approval.

4. In accordance with the above programme of work, the Plenary on the Authority commenced its work at the level of consultations, with the consideration of a revised version of function 12, proposed by one delegation at the end of the previous session of the Commission at Kingston. The revised text envisaged that the Finance Committee could make recommendations to the Council and the Assembly on the rules, regulations and procedures, as proposed by the Governing Board of the Enterprise, on the transfer of funds from the Enterprise to the Authority as well as on the proposal of the Governing Board of the Enterprise concerning the portion of the net income of the Enterprise to be retained as a reserve of the Enterprise. Having discussed the proposal, participants in the consultations agreed that the Finance Committee should make such recommendations to the Assembly and the Council only upon their request. Therefore, it was decided to insert in function 12 the words "upon their request" after the words "the Council and the Assembly".

5. The delegation which at the last session had submitted a revised text of function 12 had also proposed at that session two additional functions (16 and 17) for the Finance Committee. These functions provide for the Finance Committee to make recommendations to the Council and the Assembly on the draft rules relating to the organization, management, appointment and dismissal of the staff of the Enterprise and the Authority respectively. At the consultations it was decided that those recommendations should be made by the Finance Committee only if so requested by the Assembly and the Council. Therefore, as in the case of function 12, it was agreed that the words "upon their request" should be inserted after the words "the Council and the Assembly" in the text of both new functions.

6. The next item considered at the consultations was article 7, paragraph 1, of the Relationship Agreement which was pending (LOS/PCN/WP.50/Rev.2). That article deals with the reciprocal representation of the United Nations and the

Authority in each other's organs. Having discussed the text of article 7, paragraph 1, the participants in the consultations agreed that since the question of the participation of observers in the work of various organs of the Authority was still pending, the text of article 7, paragraph 1, should be amended by making its text more general through the deletion of the reference to particular organs of the Authority. According to this understanding, the text of article 7, paragraph 1, as amended, reads as follows:

> "Representatives of the United Nations shall be entitled to attend, and to participate, without the right to vote, in the meetings of the organs of the Authority and their subsidiary organs, in accordance with their rules of procedure, if matters of interest to the United Nations are under consideration. Written statements submitted by the United Nations shall be distributed by the Secretariat of the Authority to its members, in accordance with the rules of procedure of the organs of the Authority and of their subsidiary organs."

7. As provided for in the programme of work, during the present session the Chairman also conducted consultations with regard to the issues raised in the working paper on the administrative arrangements, structure and financial implications of the International Seabed Authority (LOS/PCN/WP.51).

8. It was agreed that the statement of the Chairman on the subject, contained in paragraph 53 of the progress report of the Chairman of the Preparatory Commission on the Work of the Commission (LOS/PCN/L.103), reflected the general agreement on the principles that should guide the work of the Authority. It was understood that details of those general principles should be worked out at an appropriate time in the future and that at such time due consideration would be given to each of the principles.

9. The results of the above consultations were reported by the Chairman to the Plenary on the Authority and were approved by it at a meeting held on 17 August 1992.

III. IMPLEMENTATION OF RESOLUTION II

10. As had been agreed, the Chairman undertook consultations on the modalities for the implementation of the obligations of the registered pioneer investor, the Interoceanmetal Joint Organization (IOM). On 18 August 1992, the General Committee unanimously adopted the Understanding on the Fulfilment of Obligations by the Registered Pioneer Investor, the Interoceanmetal Joint Organization. The Understanding is contained in the annex to the present statement.

IV. THE TRAINING PANEL

11. At the present session the Training Panel held nine meetings during the first week to consider, inter alia, the revised training programmes of India and the Russian Federation, to select six candidates for the traineeships under the training programmes offered by France and Japan, and to examine, if available, both the training programme of the People's Republic of China and that offered by Germany. The report of the Training Panel is contained in document LOS/PCN/BUR/R.17.

12. The revised training programmes offered by India (LOS/PCN/TP/1992/CRP.8 and Corr.1) and the Russian Federation (LOS/PCN/TP/1992/CRP.11) and a draft note verbale (LOS/PCN/BUR/R.19) announcing the six traineeships under those programmes were approved by the Panel.

13. The Panel selected six candidates for the traineeships under the training programmes offered by France and Japan, i.e., two candidates from two African countries, one candidate from one country of the Latin American and the Caribbean region and three candidates from three Asian countries. In the absence of qualified candidates for the traineeship in naval engineering offered under the French training programme, it was decided to defer that traineeship and transfer it to one in mining geology. The names of the candidates selected by the Panel and recommended for designation by the Preparatory Commission in respect of the traineeships under the training programmes offered by France and Japan are contained in document LOS/PCN/BUR/R.18. The Panel was not able to resolve the question of whether nominees from countries which are now registered pioneer investors should be considered for the training programmes offered by other registered pioneer investors. It requested the General Committee to take a decision on this matter (LOS/PCN/BUR/R.17).

14. The representative of the People's Republic of China informed the Panel that his Government's training programme would be presented at the next session at Kingston. The representative of Germany informed the Panel that his Government's training programme, offering three or four traineeships, would also be presented at that time (ibidem).

15. On 20 August 1992, the General Committee considered the report of the third meeting of the Training Panel and took note of it. It approved the recommendation and designated the six candidates selected by the Panel for the traineeships under the training programmes offered by France and Japan. The General Committee also took note of the note verbale on the training programmes offered by India and the Russian Federation.

16. On the question of whether nationals from certifying States of registered pioneer investors should be selected for training programmes offered by other registered pioneer investors, the Chairman of the Preparatory Commission informed the General Committee that he would undertake consultations on the issue at the beginning of the next session at Kingston. The Training Panel will meet during the first week of the eleventh session at Kingston.

V. PROVISIONAL REPORTS

17. The Preparatory Commission will hold a two-week session at Kingston to consider the provisional reports of the special commissions and of the Informal Plenary.

18. At that meeting the Chairman will undertake consultations with all the parties involved as to the future work of the Preparatory Commission, including any interim arrangements.

VI. ELEVENTH SESSION OF THE PREPARATORY COMMISSION

19. The Chairman undertook consultations with the Chairmen of the regional groups on the dates of the eleventh session. It was decided to hold the eleventh session of the Preparatory Commission at Kingston from 22 March to 2 April 1993. It was also decided that the Training Panel will meet during the first week simultaneously with the meeting of the Preparatory Commission.

Annex

UNDERSTANDING ON THE FULFILMENT OF OBLIGATIONS BY THE REGISTERED PIONEER INVESTOR, THE INTEROCEANMETAL JOINT ORGANIZATION (IOM) AND ITS CERTIFYING STATES, THE REPUBLIC OF BULGARIA, THE REPUBLIC OF CUBA, THE CZECH AND SLOVAK FEDERAL REPUBLIC, THE REPUBLIC OF POLAND AND THE RUSSIAN FEDERATION

1. This understanding applies to the registered pioneer investor, the Interoceanmetal Joint Organization (IOM) and its certifying States, the Republic of Bulgaria, the Republic of Cuba, the Czech and Slovak Federal Republic, the Republic of Poland and the Russian Federation.

2. The pioneer investor shall provide training pursuant to paragraph 12 (a) (ii) of resolution II in conformity with the specific programme for training approved by the Preparatory Commission in accordance with the principles, policies, guidelines and procedures contained in documents LOS/PCN/SCN.2/L.6/Rev.1 and LOS/PCN/SCN.2/L.7, taking into account the report contained in document LOS/PCN/BUR/R.6. It is agreed that the cost of such training shall be borne by the registered pioneer investor and shall be free of cost to the Preparatory Commission. The precise number of trainees, the duration and the fields of training shall be agreed upon between the Preparatory Commission and the registered pioneer investor according to its capabilities. It is further agreed that the first group of trainees shall consist of no less than four individuals.

3. In accordance with paragraph 12 (a) (iii) of resolution II, the registered pioneer investor undertakes to perform the obligations prescribed in the United Nations Convention on the Law of the Sea relating to the transfer of technology, and further agrees that training in the use of all available technology shall constitute a substantial component of the training programme referred to in paragraph 2.

4. The periodic expenditures for exploration to be incurred in accordance with paragraph 7 (c) of resolution II by the registered pioneer investor in respect of the development of the pioneer area shall be determined by the Preparatory Commission in consultation with and with the cooperation of the registered pioneer investor within 12 months of the adoption of this understanding. Such expenditures shall be reviewed by the Preparatory Commission from time to time in consultation with and with the cooperation of the registered pioneer investor.

5. The certifying States agree to provide, in accordance with paragraph 12 (b) (ii) of resolution II, periodic reports to the Commission on the pioneer activities as defined in paragraph 1 (b) of resolution II, carried out by them, by their entities or natural or juridical persons in their pioneer area. Such reports shall be provided annually.

6. The Commission recognizes that the obligation of the certifying States under paragraph 12 (b) (i) of resolution II is to be implemented upon the entry into force for those States of the United Nations Convention on the Law of the Sea.

7. The registered pioneer investor, the Interoceanmetal Joint Organization (IOM), will undertake, if so requested by the Preparatory Commission, a programme of exploration in accordance with the provisions of paragraph 12 (a) (i) of resolution 1I, of one mine site for the Enterprise in the area designated as the reserved area for the conduct of activities by the Authority.

8. The registered pioneer investor, Interoceanmetal Joint Organization (IOM), on the basis of the available data collected by it in the area reserved for the Authority, shall provide free of cost to the Preparatory Commission:

Computerized database disks for samples, including:

(i) The establishment of comprehensive computerized database disks for samples stations;

(ii) Data on station number, coordinates, depth, abundance, metal content, device and information on the source of the data; allowing the raw data to be statistically manipulated and presented on various types of maps and graphs.

9. The obligation of the registered pioneer investor, Interoceanmetal Joint Organization (IOM), under the provisions of paragraph 7 (b) of resolution II shall be waived as of the date of the registration.

10. Within three months of the date of deposit of the sixtieth instrument of ratification or accession, the Group of Technical Experts established in accordance with paragraph 6 of document LOS/PCN/L.41/Rev.1, annex, shall review the state of the deep seabed mining and make an assessment of the time when commercial production may be expected to commence. If, as a result of the review and the assessment, the Group of Technical Experts concludes that commercial production will not take place for an extended period of time, the Preparatory Commission shall recommend to the Authority that the annual fixed fee payable under annex III, article 13, paragraph 3, be waived for a relevant period.

11. Taking into account paragraph 19 (e) of the statement on the implementation of resolution II (LOS/PCN//L.41/Rev.1, annex), paragraph 17 of LOS/PCN/L.87, annex, paragraph 11 of LOS/PCN/L.102, annex, and the present understanding, as well as the relevant characteristics and merits of each application, the Preparatory Commission or the Authority shall enter into arrangements similar to those contained in the above understandings with any other registered pioneer investor or future applicant.